



VIEWS

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Shifting ground leads to a review of purpose

– *Sam McGrady, Director, DTP*



Periods of rapid and unsettling change can often trigger introspection and reflection. When the ground shifts beneath our feet, we find ourselves re-examining the things we previously took for granted. We look back for an explanation as to how we got here, and forward to consider how we might navigate the new terrain ahead of us.

The last 18 months have undoubtedly seen seismic shifts in both the global and the UK political outlook. At the same time, the social housing sector has experienced its own 'local' shocks to the system, such as the 1% rent reduction of July 2015, and a government shake-up of the regulation system.

Not surprisingly, housing associations have been taking stock and formulating their response. And for many, it's provided an opportunity to reassess their very purpose. Searching questions are being asked. What are we here to do? Should we carry on doing everything we currently do? Are we delivering on our stated purpose?

The senior housing professionals who we speak to for our quarterly Weather Forecast Group survey all say they have taken time to reflect on their purpose in the last two years – as the world and the sector has changed around them. But their responses have varied.

For some, there has been a clear shift to a more 'back to basics' approach. This has meant a move away from community involvement and investment, to focus more on core services – i.e. providing a roof over people's heads at an affordable price. Some 'gold standards' of service provision have been declared unaffordable and dropped. Staff numbers in many organisations have been cut back.

We're seeing providers taking a more hard-headed and commercial approach, though again this is not across the board. The squeeze on rents is forcing the sector to develop other income streams, which of course brings its own challenges.

Significant and regular policy changes, coupled with the Brexit shock and an effective change of leadership at the top of government, have created an almost perfect storm, where rapid change is seen as the new normal. In response, many providers are telling us they plan to review their purpose regularly, in some cases every year. In this new landscape, strategic direction will become critical; organisations will need to be flexible and agile in order to respond effectively.

Our interviews with Weather Forecast Group members revealed a pragmatism and realism in the sector. Certainly, as far as the government is concerned, we picked up on a willingness to work with the government rather than against it. But don't be under any illusions – that willingness to compromise won't be at any cost.

Underneath the pragmatism, the social housing sector is still a sector built on ideals. Last year marked the 50th anniversary of Ken Loach's landmark television drama *Cathy Come Home*, which was reflected on by a number of the housing professionals we spoke to. Looking back on *Cathy Come Home*'s agonising portrayal of the problems of homelessness had even inspired an "examination of our roots" in one organisation.

"And we're not stopping improving lives," said one senior executive. Although it didn't take long before the realism set in: "the issue is that we can now probably improve fewer than previously". Some even talked of the need for the sector to be bolder in telling its story – of developing a brand even. One vision is of a sector that is the "go to" vehicle for solving the housing crisis. Bold indeed.

A greater focus on purpose will probably accelerate the diversification of the sector which we have been seeing unfold in recent years. All the signs are that this will continue with different providers focusing on different activities.

But while many will head off in different directions, few will have the luxury to ignore issues such as the need for efficiencies and cost savings. And all will face the same pressures and be rocked by future, as yet unknown, seismic shifts. We may not know exactly how things will change in the coming years, but change they will. However, if the social housing sector continues to demonstrate a willingness to reflect and adapt, perhaps it will show itself to be more resilient than we might have imagined.